

STATE OF ALASKA)
 : ss
THIRD JUDICIAL DISTRICT)

AFFIDAVIT OF PAUL JENKINS

I, PAUL JENKINS, being first duly sworn upon oath, depose and state as follows:

1. I am an Editor of the Times Publishing Co., also known as the Anchorage Times and the Voice of the Times (hereinafter referred to as the "Times"). I have been employed by the Times in a senior editorial position since 1990 and I am fully familiar with the history of the Times, the current operation of the Times and all other facts testified to herein.

2. The Times is a wholly owned subsidiary of VECO Corporation. Bill Allen is the Publisher of the Times and the Chairman and Chief Executive Officer of VECO Corporation. As Publisher of the Times, Mr. Allen is involved in establishing the overall editorial viewpoint of the paper. However, he is not involved in the day-to-day operation of the paper, or decisions regarding the content or other aspects of the paper. Those functions are the responsibility of the editorial staff, including Senior Editor, Bill Tobin and myself. Mr. Allen's responsibilities as CEO of VECO Corporation make it impossible for him to have any direct involvement in the operations of the Times.

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3. The Times is responsible for and pays all production costs, staff salaries and all other costs and expenses associated with the publication of the Times. At no time has Mr. Allen, in his individual capacity, paid any costs or expenses associated in any way with the publication of the Times.

4. Attached as Exhibit B to the Answer to the Pool Complaint is a true and correct copy of the Agreement for Purchase and Sale of Assets between the Anchorage Daily News and the Times. By mutual agreement of the parties, the agreement relating to the publication of the Times has been extended through June 1, 2007.

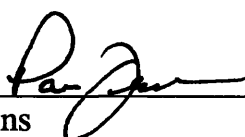
5. The Times is not now, and never has been, owned by or controlled by a political party, political group or candidate. At no time has the Times received any payments, contributions or revenues of any kind from any political party, political group or candidate, and the Times has never made any contributions or payments of any kind to any political party, political group or candidate.

6. I have reviewed the Answer to the Pool Complaint and can confirm that the facts set forth in the Answer relating to the Times are correct. I am also familiar with the education and professional background of Bill Tobin, Tom Brennan and myself, and

can confirm that the statements included in the resumes of Mr. Tobin, Mr. Brennan and myself, which are attached as Exhibits to the Answer are true and correct.

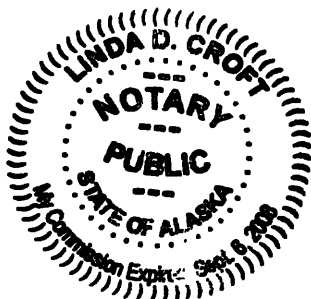
FURTHER YOUR AFFIANT SAYETH NAUGHT.

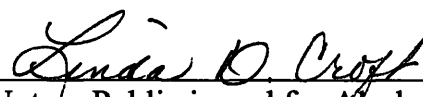
Dated at Anchorage, Alaska this 19 day of October, 2004.



Paul Jenkins

2004. SUBSCRIBED AND SWORN TO before me this 19th day of October,





Notary Public in and for Alaska
My Commission Expires: Sept. 6, 2008

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AGREEMENT FOR PURCHASE AND SALE OF ASSETS
BY AND BETWEEN
ANCHORAGE DAILY NEWS, INC.,
TIMES PUBLISHING CO.,
McCLATCHY NEWSPAPERS, INC.,
AND
VECO INTERNATIONAL, INC.

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ASSET PURCHASE AGREEMENT

THIS AGREEMENT (the "Agreement") is dated June 1, 1992 and is between Anchorage Daily News, Inc. (the "Daily News" or "Buyer"), Times Publishing Co. ("the Times" or "Seller"), McClatchy Newspapers, Inc. ("McClatchy"), and VECO International, Inc. ("VECO").

RECITALS

Buyer owns and publishes the *Anchorage Daily News*, a daily newspaper in Anchorage, Alaska. Buyer is a wholly-owned subsidiary of McClatchy. Seller owns and publishes *The Anchorage Times*, a daily newspaper in Anchorage, Alaska. Seller is a wholly-owned subsidiary of VECO. Seller is willing to sell, and Buyer is willing to buy, certain assets relating to the operation of *The Anchorage Times* on the terms set forth below.

The parties agree as follows:

ARTICLE I

PURCHASE AND SALE OF ASSETS

1.1 Sale of Assets. Buyer agrees to buy, and Seller agrees to sell, all assets of Seller except for the Excluded Assets (as defined in Section 1.2), including, but not limited to, (i) all machinery, equipment, inventory, library, supplies or other tangible and intangible assets used and useful in the publication and distribution of *The Anchorage Times*, (ii) the complete subscriber list attached as Exhibit A, (iii) the complete advertiser list attached as Exhibit B, (iv) all rights and title to the names "The Anchorage Times" and "The Times," except as provided for in Section 4.4 below, and (v) copies, and access to the originals, of all of Seller's books, records, ledgers, journals, and all other available documents which show the financial condition of *The Anchorage Times* (collectively, the "Assets"), free and clear of all liens and encumbrances, for the Purchase Price set forth in Section 1.3. Buyer shall not disclose unless compelled by law the information in or derived from category (v) above.

1.2 Excluded Assets. It is understood and agreed that the Assets being sold exclude (i) Seller's cash, cash equivalents, prepaid expenses and taxes, and accounts

receivable, (ii) Seller's real estate, the buildings thereon and artwork therein, (iii) no more than ten (10) of Seller's passenger cars, (iv) any and all materials requiring hazardous waste handling and disposal, and (v) originals of Seller's financial, business and corporate records (collectively, the "Excluded Assets").

1.3 Purchase Price and Closing. The purchase price ("Purchase Price") for the Assets and the Agreements Not to Compete referred to in Article V shall be subject to reduction as provided for in Section 2.2., payable as follows:

(a) On the morning of June 2, 1992, upon Buyer's receipt of Seller's authorization to disseminate the Article VIII joint press release later in the day after announcements to the staffs of *The Anchorage Times* and the *Anchorage Daily News*, Buyer shall prepay to Seller in immediately available funds _____ of the Purchase Price, less the _____ estimate of unexpired subscription revenues pursuant to Section 2.2, for a total of _____

(b) The closing ("Closing") shall occur in Anchorage, Alaska, at a mutually agreeable location as early as possible on the morning of June 3, 1992. As soon as Buyer is reasonably satisfied that the condition of the Assets complies with Section 3.4, it shall consummate Closing by paying the remaining _____ of the Purchase Price to Seller in immediately available funds in exchange for a Bill of Sale containing an Asset list. In the event Buyer contends that the Section 3.4 warranty has not been met, Buyer and Seller shall confer and only the amount reasonably estimated to be equal to the diminution in the actual cash value of any missing Assets or Assets as to which the condition has deteriorated shall be deducted from the Purchase Price. The balance shall immediately be paid to Seller or refunded to Buyer, as appropriate. Within one (1) month after Closing, the parties shall determine and reconcile the actual amount finally due one another relative to the missing or damaged assets, if any, discovered prior to Closing. After Closing, no adjustment whatsoever shall be due Buyer from Seller based on any assertion Buyer may make that an Asset was listed on Seller's pre-Closing Asset list but that the particular Asset was missing from Seller's premises before or after Closing. The sole exception to this principle is

that Seller warrants that the Assets shall include all major components of the press, inserting equipment and front-end system.

1.4 Delay in Closing. Unless prevented by order of a court of competent jurisdiction or legally binding directive of an appropriate governmental agency, Closing shall occur as stated in Section 1.3(b). If any such injunction or legally binding directive is issued, this Agreement shall not be terminable so long as either party elects to continue the process of pursuing judicial or administrative review or appeal of any order or legally binding directive prohibiting consummation of this transaction. Seller shall operate or not at its election during this period. Time is of the essence in the performance of this Agreement, and Closing shall occur promptly after the dissolution of any injunctive order or legally binding directive.

1.5 Contracts Assumed. Buyer reserves the right to assume after Closing any or all of the outstanding contracts of Seller, subject to the consent by the other parties to such contracts, if applicable. Notwithstanding the foregoing, Seller may elect to retain certain syndicated columnist contracts.

Attached as Exhibit C is a list representing Seller's best effort to identify all outstanding contracts. Within two (2) weeks after Closing, Seller shall provide to Buyer (i) copies of all contracts outstanding at Closing, whether or not included in Exhibit C, and (ii) a list of any syndicated columnist contracts which Seller has elected to retain. Buyer shall then identify contracts it elects to assume within two weeks thereafter.

1.6 Sales and Use Tax. If applicable, Buyer and Seller shall share equally any and all state and local sales or use taxes or other applicable local tax resulting from the sale of Assets. The parties agree to fully cooperate to follow procedures and obtain documents to secure an exemption or partial exemption, if any, from sales or use taxes.

1.7 Personal Property Taxes. If applicable, any and all personal property taxes shall be pro-rated between Buyer and Seller as of the date of Closing.

1.8 Corporate Name Change. Seller agrees that it shall promptly change the name of the Times Publishing Co. to eliminate any use of the word "Times."

1.9 Access to Building. Prior to Closing, Seller shall use its best efforts, including proper security, to insure that no Assets are damaged or removed from its building or premises. Immediately after Closing, Seller shall provide Buyer access to, and control of,

Seller's building and premises to preserve, protect and remove the Assets. After Closing, risk of loss of the Assets shall shift from Seller to Buyer, and Buyer shall insure such Assets as it deems proper to protect them. To the extent the Assets require security after Closing, Buyer shall provide the same at its sole expense. Seller shall have reasonable access to the building at all times.

The following shall be the applicable time periods for removal of Assets: (i) six (6) months for the presses and related equipment, (ii) three (3) months for the inserting and packaging machinery and related equipment, and (iii) one (1) month for all other Assets. Buyer shall be responsible for removal of the Assets stated in categories (ii) and (iii).

The parties acknowledge that removal of the Assets, and the presses in particular, will require reasonable restoration of Seller's building to its condition as of Closing. Buyer shall remove the presses at its sole expense. Buyer shall set aside a maximum of _____ for the purpose of restoration of the building and satisfaction of any and all damage, including environmental damage, to Seller's building or property, other than the indemnification set forth below. Upon removal of the presses, Buyer shall restore the building until such funds are exhausted or such restoration is complete, whichever first occurs. Buyer shall indemnify and hold harmless Seller from all claims, lawsuits, damages and expenses (including reasonable attorneys' fees) relating in any way to the alleged personal injury or harm of any person arising out of the removal of Assets by Buyer (or those acting on its behalf). Should such removal and/or restoration take longer than six (6) months, Buyer shall lease the building for any remaining removal and/or restoration period on a triple net basis for a rent of _____ per month. In no event shall the removal and/or restoration period exceed eight (8) months.

ARTICLE II

NO LIABILITY ASSUMED

2.1 No Liability Assumed. Except as set forth in Sections 1.5 and 2.2, Buyer shall not assume and shall not be liable for any of Seller's debts, obligations or liabilities of any nature whatsoever in connection with Buyer's purchase of the Assets or otherwise, including but not limited to any severance payments to the Seller's employees pursuant to plant closing laws.

2.2 Obligation to Deliver Newspapers. Buyer shall assume Seller's unexpired subscription contracts, except for prepaid contracts as to which Seller has refunded the prepaid subscription price, and Buyer shall deliver the *Anchorage Daily News* to subscribers of *The Anchorage Times* for the term of their subscriptions or refund the value of the unexpired portion of such subscriptions, so long as the subscriptions were not discounted by more than fifty percent (50%) of *The Anchorage Times'* full subscription price.

The Purchase Price shall be reduced by the amount of the unexpired subscription revenue previously received by Seller. Seller estimates that such revenue is

, and prior to Closing, Seller shall provide Buyer appropriate supporting documentation (including its most recent balance sheet) for such estimate. Seller shall calculate the actual unexpired subscription revenue within one (1) month after Closing, and upon submission of appropriate supporting documentation to Buyer at such time, the Purchase Price reduction will be adjusted accordingly.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

3.1 Corporate Organization; Authority. Each party warrants that it is a duly organized, validly existing corporation having the requisite corporate power and authority to enter into this Agreement and perform its obligations hereunder, and that all corporate action necessary for the consummation of this transaction has been taken.

3.2 Value of Assets. Seller warrants that the aggregate value of the Assets is less than

3.3 Financial Records. Seller warrants that (i) its financial statements during its ownership by VECO are accurate, correct and fairly stated, (ii) the subscriber and advertiser lists attached as Exhibits A and B, respectively, are the lists currently in use in the ordinary course of Seller's business, and (iii) the asset list prepared pursuant to this Agreement, and attached hereto as Exhibit D, has been prepared to the best of Seller's ability.

3.4 Condition of Assets. Seller warrants good title to the Assets. In addition, Seller warrants the absence of a material change in the condition of any Asset from the execution of this Agreement until Closing, except for depletion of newsprint and ink in the normal course of producing a newspaper. Otherwise, the Assets shall be sold 'as is, where

is' with no other warranties of any type whatsoever. Buyer shall have access to Seller's premises prior to Closing for purposes of inspection of the Assets.

3.5 VECO's Lack of Ownership. VECO warrants that it does not own any machinery, equipment, tangible or intangible good, product, material or asset ("Operating Goods") used in the publication, distribution or operation of *The Anchorage Times*. And if VECO owns any such Operating Goods, then title to them shall pass to Buyer at Closing.

ARTICLE IV

OP-ED PAGE COMMENTARY

4.1 Seller's Right to Op-Ed Space. Buyer and Seller believe that the preservation of separate, independent, and high quality editorial voices is important to the citizens of Alaska. Accordingly, Seller shall have the right for the ten (10) years immediately following Closing to provide readers editorial commentary on the top half of the *Anchorage Daily News*' op-ed page ("Commentary"). The op-ed page is the page facing the editorial page. Commentary may include editorials, opinion pieces, columns, letters to the editor, cartoons, photographs, comments on the news, comments on news coverage, syndicated features, and other content typically found on editorial op-ed pages.

4.2 Allocation of Costs. For the first five years after Closing, Buyer shall pay all newsprint, ink and prepress labor costs directly associated with the production of the top half of the op-ed page. Seller shall bear those costs associated with writing, acquiring or editing material for Commentary.

In years six through ten after Closing, Seller shall pay all newsprint, ink and prepress labor costs directly associated with the production of the top half of the op-ed page. Seller shall also continue to bear those costs associated with writing, acquiring or editing material for Commentary.

4.3 No Assignment and Continuity of Control of Seller. Seller may not sell, transfer or assign its right to provide Commentary on the op-ed page. Since this Agreement is premised upon the previous editorial record of *The Anchorage Times* under Bill Allen's leadership, Buyer insists that Bill Allen or his lineal descendants continue to have control over Seller, VECO or any successor thereto. If Bill Allen or his lineal descendants collectively lose control of Seller, VECO or any successor thereto, for any reason, then

Seller's right to provide Commentary shall terminate immediately. Similarly, if Seller, VECO or any successor entity goes into bankruptcy, then Seller's right to provide Commentary shall terminate immediately. The foregoing notwithstanding, if Bill Allen dies in years six through ten after Closing, then Seller's right to provide Commentary shall terminate six months after death.

4.4 Distinctiveness. The Commentary shall be visually distinct from the *Anchorage Daily News*' editorial and op-ed pages. Seller shall provide to Buyer for approval prior to Closing information regarding type styles, headline fonts, column widths and any other design features for the Commentary. *The Anchorage Times*' masthead shall accompany the Commentary on a daily basis, together with the following disclaimer:

"*The Anchorage Times* Commentary in this segment of the *Anchorage Daily News* does not represent the views of the *Daily News*. It is written and published under an agreement with former owners of *The Times*, in the interests of preserving a diversity of viewpoints in the community."

Seller shall also have the right to use *The Anchorage Times*' name in connection with administration and publication of the Commentary so long as Seller has the right to provide Commentary in the *Anchorage Daily News*.

4.5 Content. Seller agrees the Commentary will not contain false or profane material. Seller also agrees not to use the Commentary space for advertising of any type.

Buyer shall not utilize Seller's Commentary in advance of publication for the purpose of providing a same-day reply in the *Anchorage Daily News*. Buyer and Seller understand that *Anchorage Daily News*' editorials and Seller's Commentary may often address the same issue or subject on the same day.

4.6 Copyright. Seller and Buyer shall each own the copyright to the Commentary.

4.7 Delivery; Deadlines. Seller shall submit Commentary in a dummied-page format, as well as in a format compatible with and machine-readable by Buyer's editorial front-end system so as to avoid the need to manually input copy. Seller agrees that Commentary to appear in the Tuesday through Saturday editions of the *Anchorage Daily News* shall be delivered to the *Anchorage Daily News* newsroom no later than 3:00 p.m. the day before publication. Seller also agrees that the Commentary to appear on Sunday shall be

delivered to the *Anchorage Daily News* no later than 3:00 p.m. on the preceding Thursday, and the Commentary to appear on Monday shall be delivered to the *Anchorage Daily News* no later than 3:00 p.m. on the preceding Friday. Buyer shall promptly inform Seller of any change in the production deadlines for the Sunday newspaper which would allow the delivery of Commentary on Friday rather than Thursday.

Seller shall have the right to provide back-up Commentary prepared in advance for later use on the top half of the op-ed page in the event that delivery deadlines cannot be met on any given day. If Seller fails to meet delivery deadlines or fails to deliver Commentary copy, then Buyer shall have the right to use the top half of the op-ed page for its own editorial copy. For each such failure, Seller agrees to pay to Buyer liquidated damages of

If Seller fails to meet delivery deadlines or fails to deliver Commentary copy ten (10) times in any twelve (12) month period, then Seller's right to provide Commentary shall terminate without any compensation.

4.8 Access to Wire Services and Library. Buyer agrees that Seller may have access to all wire services to which Buyer is a subscriber, provided that Seller shall (i) be entitled to read-only access from a terminal at a remote, off-site location, (ii) obtain the wire service providers' prior approval for such access, and (iii) bear all costs associated with such access, including without limitation computer programming, communication lines, increased wire service fees and assessments and the like.

Seller may make reasonable requests for information or materials from Buyer's editorial library. Buyer shall attempt in good faith to fairly honor such requests, subject to staff availability and time constraints.

4.9 Assumption of Liability. Seller assumes liability for the content of the Commentary.

Seller agrees to indemnify and hold harmless Buyer from all claims, actions, damages or expenses of any kind, including attorneys' fees, arising from Seller's Commentary, including but not limited to claims for libel, invasion of privacy, breach of contract, copyright infringement, negligence or other torts. Buyer agrees to indemnify and hold harmless Seller from all claims, actions, damages or expenses of any kind, including attorneys' fees, arising from Buyer's addition or deletion of material from the Commentary as prepared.

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Seller agrees to use its best efforts to obtain insurance for libel and related torts with the highest available coverage within thirty (30) days after Closing, provided that coverage is available for a reasonable premium. Seller shall have no obligation to obtain insurance if a premium in excess of _____ per year is required, subject to increase or decrease in relation to changes in the National Consumer Price Index. Seller agrees to use its best efforts to maintain such coverage so long as it has the right to provide Commentary in the *Anchorage Daily News*. Seller further agrees to promptly provide copies of all certificates of insurance to Buyer, and to list Buyer as an additional insured. If Seller initially fails to obtain such insurance, then Seller shall within the next six (6) months, and thereafter not less frequently than every twelve (12) months, attempt to purchase such libel insurance. For each and every denial of libel insurance coverage, Seller shall promptly furnish Buyer in writing the name of the insurer contacted, any premiums quoted, and the name of Seller's contact at the insurer.

4.10 Legal Review. Buyer reserves the right to prepublication review of all Commentary submitted by Seller to evaluate legal risks. Buyer is under no obligation to publish Commentary which is legally actionable.

If Buyer believes that some Commentary is legally actionable, then it shall promptly notify Seller and attempt to informally resolve the matter. Representatives of the Buyer and Seller shall promptly confer (either in person or by telephone) and use their best efforts to eliminate the Commentary's perceived legal risk. Buyer shall include its legal counsel in such discussions to state the reasons for the determination. If the parties are unable to informally resolve the dispute, then Buyer shall be required to provide Seller with a written statement from counsel. The statement shall provide counsel's determination that the Commentary is legally actionable and list counsel's reasons for the determination.

Thereafter, Seller shall have the right to immediately appeal (including by telephone) the determination to a recognized First Amendment lawyer, or one of a number of such lawyers, chosen by both parties. If this lawyer finds that the determination of Buyer's counsel was without adequate basis, then the Commentary in question shall be promptly published. If this lawyer finds an adequate basis for the determination of Buyer's counsel, then Buyer shall be under no obligation to publish the Commentary. Buyer and Seller agree that any Commentary not published due to such a determination shall not be considered a

failure to meet a delivery deadline pursuant to Section 4.7. The losing party in any appeal proceeding shall be liable for the First Amendment lawyer's fees and any other costs.

The acquiescence, lack of objection or approval by Buyer or Buyer's counsel to any Commentary shall not be construed to relieve Seller of complete liability for legally actionable copy pursuant to Section 4.9.

4.11 Journalistic Review. If Buyer believes that any Commentary is of poor journalistic quality, then it shall have the right to submit the Commentary at issue after publication to an independent three-person panel for review. To serve as panelists, the parties shall seek the services of past presidents (or their designees) of the following three organizations: (i) Newspaper Association of America (or ANPA), (ii) American Society of Newspaper Editors and (iii) Associated Press Managing Editors. The parties shall first seek the services of the immediate past president (or designee) of each of the journalistic organizations. If the immediate past president (or designee) is unwilling or unable to serve as a panelist, then the parties shall ask the past president's predecessor (or the predecessor's designee) to serve as a panelist. The parties shall continue the process until one representative from each journalistic organization mentioned above is a panelist. If this process fails, the parties shall agree to another process designed to impanel three distinguished and experienced journalism experts. (No one then or previously employed by or affiliated with a party to this Agreement may serve as a panelist or designee of a panelist, or designate a panelist.)

If two out of the three panelists determine that the Commentary is of poor journalistic quality, then the panel shall issue a written warning to Seller. If fewer than two panelists determine that the Commentary is of poor journalistic quality, then no warning to Seller shall issue.

Commentary shall be considered of poor journalistic quality only if it represents a gross departure from established journalistic standards as practiced by the majority of daily metropolitan newspapers in the United States on their editorial pages. The fact that a Commentary disagrees with an editorial position of the *Anchorage Daily News* shall not, in and of itself, be considered in determining journalistic quality.

The second time that the same or a different panel determines that Commentary is of poor journalistic quality, then Seller's right to provide Commentary shall terminate. If

Seller's right is terminated during the first five-year period after Closing, then Buyer shall pay Seller the estimated newsprint, ink and prepress labor costs directly associated with production of the top half of the op-ed page for the remainder of that five-year period. If Seller's right is terminated more than five years after Closing, then Seller shall have no right to any compensation.

The panelists shall establish the procedures for their process of review and determination. In all disputes involving journalistic quality, the losing party shall pay all costs associated with the proceedings.

4.12 Clerical matters. Seller and Buyer recognize that profanity is not appropriate in the op-ed page. Buyer may correct unintentional spelling and typographical errors in the Commentary prior to publication. Buyer may also bring grammatical errors to Seller's attention. However, Buyer may not prevent publication of any Commentary except pursuant to Section 4.10.

ARTICLE V

AGREEMENTS NOT TO COMPETE

Concurrently with the execution of this Agreement, Seller, VECO and Bill Allen shall each execute an agreement not to compete (in the form attached as Exhibit E) providing that each will not compete with Buyer or McClatchy in the State of Alaska for a five-year period. The parties agree that _____ of the Purchase Price shall be allocated to each of Seller's and VECO's agreements not to compete, and, _____ shall be allocated to Allen's agreement not to compete, for a total of _____

ARTICLE VI

NO BONA FIDE PURCHASER

It is a condition precedent to consummation of this transaction that Seller shall not have received a firm bona fide offer from a third party purchaser who is ready, willing and able to purchase all or substantially all of the assets of Seller and to operate *The Anchorage Times* as a newspaper for a price that exceeds the amount at which it would be financially advantageous to Seller to cease the business and operations of the Times and use Seller's assets elsewhere or otherwise dispose of them.

ARTICLE VII
CONFIDENTIALITY

Except for prior announcements to the respective staffs of *The Anchorage Times* and the *Anchorage Daily News* and as otherwise provided in this Article VII, until the publication of the joint press release provided for in Article VIII, the terms of this Agreement and the Purchase Price shall remain confidential and shall not be disclosed except as required by law.

By entering this Agreement, all parties affirm that it is in the best interests of the citizens of Alaska that the diverse editorial voice of both newspapers be preserved and that the arrangement contemplated in this Agreement is mutually beneficial. All parties agree that it is in their mutual interests to promote this fact and not to denigrate each other or to suggest that there was a winner or a loser in this transaction. Instead, all agree that their executive officers shall use their best efforts to promote and characterize this Agreement as the mutually beneficial relationship that it is.

It is the intent of this Agreement that all parties will continue to strive for high levels of editorial excellence as a product of this Agreement and that the Anchorage community and the State of Alaska will benefit immeasurably by the greater diversity of opinion and points of view made possible by the preservation of the voice of *The Anchorage Times* and the continuation of the voice of the *Anchorage Daily News*.

Because of the past history of the two newspapers' editorial presentations, it is not anticipated that Section 4.11 will ever have to be invoked. And it is certainly desirable that it not be invoked. It is in that spirit that the Agreement has been reached.

Therefore, Buyer agrees that it will not volunteer or reveal on its own initiative the content or procedure described in Section 4.11. However, if asked directly about it or the maintenance of journalistic quality of the Commentary, Buyer may disclose the process outlined in Section 4.11.

Buyer and Seller also agree that they will not disclose the Purchase Price unless required by law, or on the advice of their respective securities counsel or independent auditors.

ARTICLE VIII
JOINT PRESS RELEASE

Buyer and Seller agree that the chief executive officer of McClatchy and the chief executive officer of Seller shall confer prior to announcing the sale, and that both parties shall use all reasonable efforts to announce and promote the sale as a mutually advantageous arrangement best serving the interests of the readers of the state of Alaska by preserving editorial diversity while maintaining a superior news product.

ARTICLE IX
GUARANTEES

By their execution of this Agreement, McClatchy, as parent of Buyer, and VECO, as parent of Seller, agree to unconditionally guarantee any and all obligations of any nature whatsoever of Buyer and Seller, respectively, arising under this Agreement, including without limitation all obligations arising under Article IV.

ARTICLE X
MISCELLANEOUS PROVISIONS

10.1 Additional Obligations of the Parties. The parties agree that after Closing, they will execute and deliver any further documents and instruments of transfer and take any other action consistent with the terms of this Agreement which are reasonably necessary to facilitate the sale and transfer of the Assets or any other activity contemplated by this Agreement.

10.2 Effect of Headings. The subject headings of the sections and subsections of this Agreement are included for convenience only, and shall not affect its construction or interpretation.

10.3 Entire Agreement. This Agreement, together with its exhibits, constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements and understandings of the parties regarding such subject matter.

10.4 Assignment. Except for the provisions in Section 4.3, the parties shall not assign their rights under this Agreement without the advance written consent of the others.

10.5 Specific Performance. Each party's obligations under this Agreement are unique. If any party defaults in its obligations under this Agreement, the parties each acknowledge that it would be extremely impracticable to measure the resulting damages; accordingly, the nondefaulting party or parties, in addition to any other available rights or remedies, may sue in equity for specific performance, and the parties each expressly waive the defense that a remedy in damages will be adequate.

10.6 Recovery of Litigation Costs. In the event of any legal proceeding between the parties relating to this Agreement, the prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that proceeding.

10.7 Survival of Warranties. All warranties and agreements of the parties contained in this Agreement shall survive consummation of this transaction.

10.8 Bulk Sales Law. The parties hereto waive compliance with the provisions of any bulk sales law applicable to this transaction. Seller hereby agrees to indemnify and hold harmless Buyer from all liabilities of any kind arising out of the failure of the parties to comply with any such bulk sales laws.


10.9 Mutual Release. Except as otherwise provided herein, each party agrees to mutually waive, discharge and release any and all claims, damages and causes of action, whether known or unknown, which that party may have had against any other party hereto as of the date of this Agreement.

10.10 Governing Law. This Agreement shall be construed in accordance with, and governed by, the laws of the State of Alaska. Any suit brought to enforce rights under this Agreement shall be brought in Anchorage, Alaska.

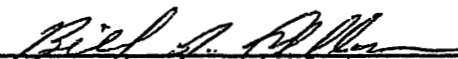
10.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

The parties have caused this Agreement to be duly executed by their duly authorized officers, all as of the day and year first above written.


ANCHORAGE DAILY NEWS, INC.

By 
Name: ERWIN ROTTS
Title: President

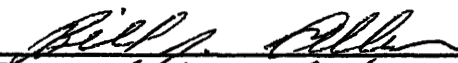
THE TIMES PUBLISHING CO.

By 
Name: Bill J. Allen
Title: Publisher

McCLATCHY NEWSPAPERS, INC.

By 
Name: ERWIN ROTTS
Title: President

VECO INTERNATIONAL, INC.

By 
Name: Bill J. Allen
Title: Chairman

6/1/92
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